

Digital Transformation of Micro-Enterprises in Ghana



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CREATE CHANGE



28th November 2022

Introduction

- COVID-19 impacted many areas of business and social life
- Like other businesses, micro-enterprises—such as street vendors, small-holder farmers and retailers—were faced with lockdowns and the tension between trading and exposing themselves to COVID-19, or not trading and having no income
- Thus, we set out to provide evidence of how micro-enterprises were able to adjust and improvise forms of online commerce to maintain their business operations or even thrive during COVID-19

Research Questions

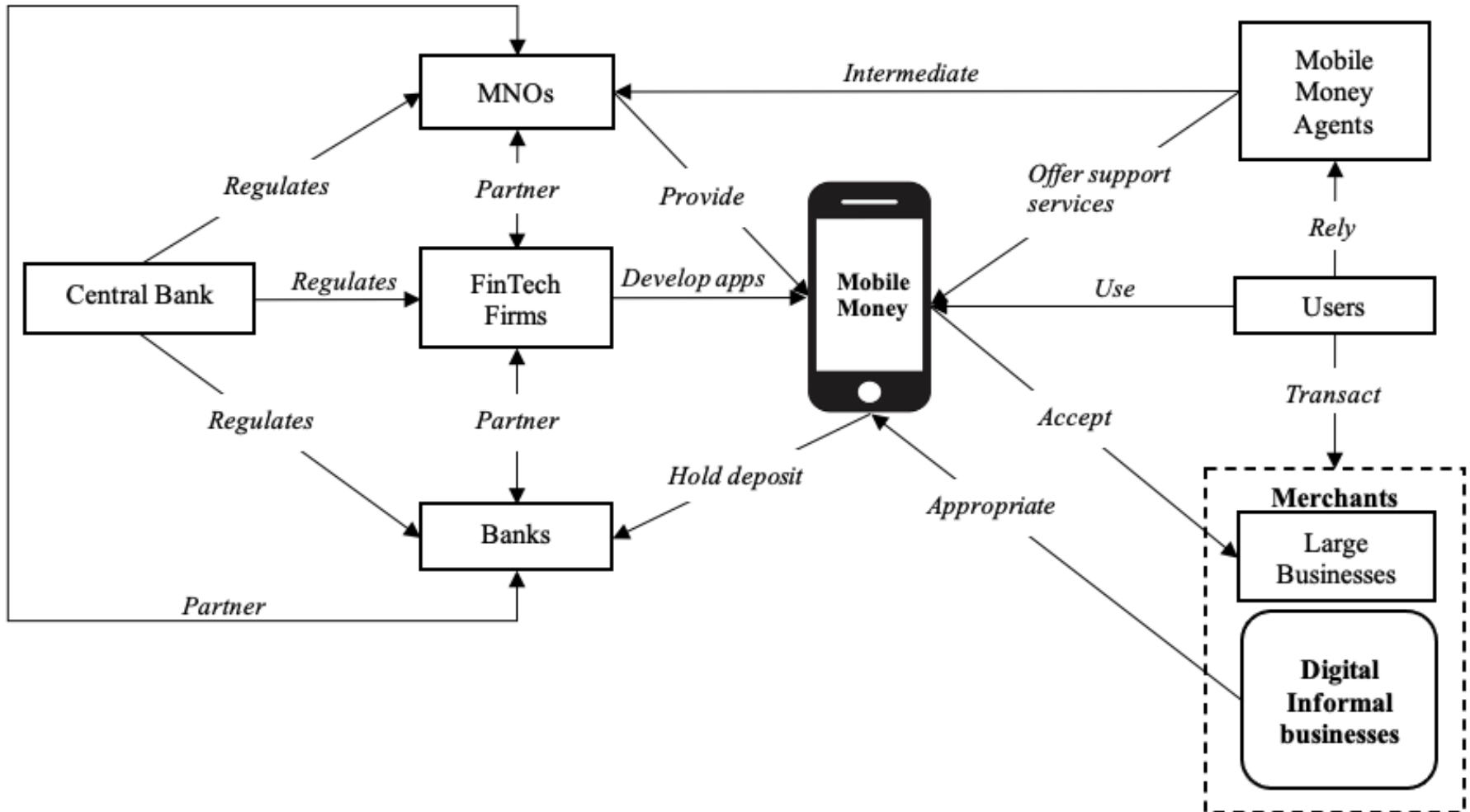
- How can micro-enterprises digitally transform their businesses?
- What unanticipated benefits and challenges are experienced by micro-enterprises that digitally transform?
- What support is needed from the government and the FinTech sector to help micro-enterprises digitally transform?
- A unique aspect of our research is that it takes a multi-level perspective to fully understand how changes at the level of micro-enterprises occur due to the role of government, Fintech firms, technology firms, and multinational network operators in contributing to their digital transformation

Methodology

- We adopted a qualitative research design (Klein & Myers, 1999) which is well suited to how and why research questions to explore the complexities underlying a multifaceted and intrinsically complicated phenomenon
- Our data relies on in-depth semi-structured interviews with several groups of actors in Ghana: *micro-enterprises, government agencies, and technology firms that develop and offer services such as mobile money applications and infrastructure*

Organization type	Org	Interviews	Purpose
Micro-enterprises	30	30	Examine the specific ways in which digital resources were used
Government	1	5	Examine how it supports the digital transformation of micro-enterprises
MNOs	1	1	Examine how they support the digital transformation of micro-enterprises
Technology firms	10	16	Examine how they support the digital transformation of micro-enterprises
Total	42	52	

Methodology: Case Background

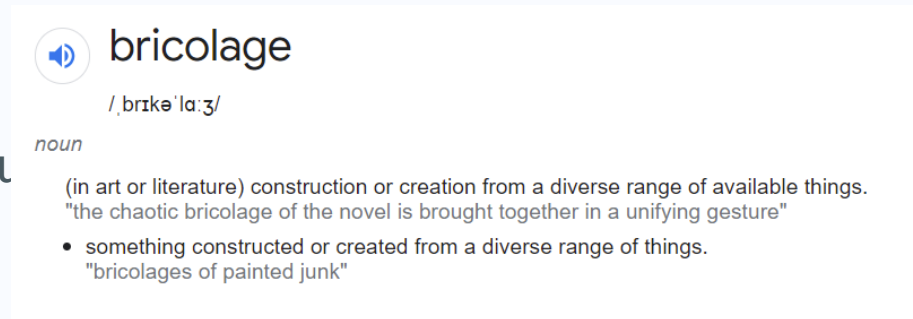



Findings: Digital transformation

- Occurs across three pathways:

(1) resource mobilization through the constitution of digital resources over time

(2) resource combination through configurations, and



 **bricolage**
/ˌbrɪkəˈlɑːʒ/
noun
(in art or literature) construction or creation from a diverse range of available things.
"the chaotic bricolage of the novel is brought together in a unifying gesture"
• something constructed or created from a diverse range of things.
"bricolages of painted junk"

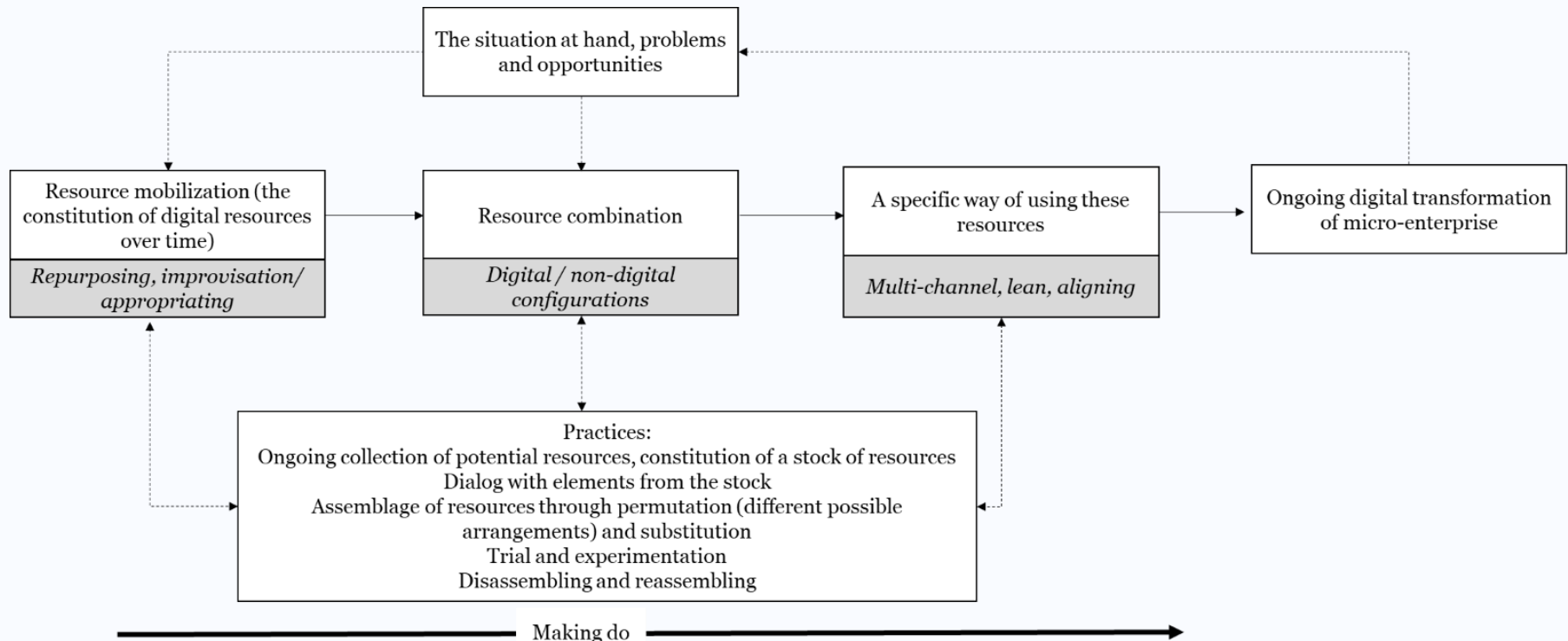
(3) resource deployment through a specific way of using these resources. Based on the findings, we develop an initial process model of digital bricolage that advances the understanding of digital transformation of micro-enterprises

- We refer to the process of digital transformation of micro-enterprises as *digital resource bricolage*

Findings

DT outcomes:

- increased customer base and sales,
- improved operational efficiency,
- flexible working arrangements and
- reduce overheads



Model of Digital Transformation of Micro-enterprises

Implications

- Digital transformation of micro-enterprises can be an organic form of bottom-up development driven by agency and entrepreneurial activity
- Digital resource bricolage is a dynamic strategy adopted by some entrepreneurs that helps them to overcome environmental limitations and adapt during COVID-19
- Digital transformation has several taken-for-granted advantages for micro-enterprises during COVID-19. The technologies they rely on are used in everyday contexts, are easier to handle, take up less physical space, are low-cost or free and tie into societal behavioural shifts
- Digital transformation of micro-enterprises, especially during COVID-19 has demonstrated their value and the government is now keen to formalise their operations for taxation purposes
- Digital transformation practices (e.g., fee caps, increased transaction limits) as a result of COVID-19 have become norms

Recommendations

- Micro-enterprises
 - Micro-enterprises should deliberately pursue digital transformation else digital resource bricolage could become a trap that restricts their growth
- Government/Policy Makers
 - Post-pandemic measures especially the removal of the fee waiver and introduction of an electronic levy on digital payments could erode the gains made in building resilient micro-enterprises, and thus the outcomes of this on micro-enterprises should be monitored
- Technology Firms
 - There is a need for the technology sector to critically consider micro-enterprises as one of its key focuses because this will ensure that micro-enterprises have dedicated digital technologies (e.g., mobile payments, mobile loans and other relevant systems) specifically tailored to their needs

Conclusion

- This study was motivated by the need to better understand how resource-poor micro-enterprises in developing countries adapted to COVID-19 and in some instances thrive
- We examined how micro-enterprises in Ghana were able to leverage, and combine, a range of low-cost or free digital technology—such as WhatsApp, Instagram and mobile money—to fundamentally re-imagine their business, whilst keeping in line with their resource constraints and managing the impact of COVID-19
- We provide actionable recommendations on how micro-enterprises can transform with digital technology to be more resilient to future contingencies as well as find new opportunities

Thank you for listening

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feedback and questions
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